

ment that makes the increased § 415 limitations under EGTRRA effective for a plan cannot be taken into account for purposes of § 412 prior to the effective date of the increased § 415 limitations under EGTRRA for the plan.

**Q-17:** How is the sunset provision of section 901 of EGTRRA taken into account for purposes of §§ 412 and 404 of the Code, and with respect to the calculation of benefit payments that must not exceed the limitations of § 415?

**A-17:** The “sunset” provision of section 901 of EGTRRA is not taken into account for purposes of § 412 of the Code for years beginning on or before December 31, 2010. Thus, for example, projected benefits under a defined benefit plan are computed assuming that the increase in the dollar limitation to \$160,000, as adjusted under § 415(d), remains in effect for limitation years beginning after December 31, 2010. Section 404(j) provides that benefits or contributions in excess of the limitations of § 415 are not taken into account in computing the amount of any deduction allowable under paragraphs (1), (2), (3), (4), (7), or (9) of § 404(a). For years beginning on or before December 31, 2010, the determination that contributions do not exceed the limitation of § 404(j) is made without regard to the sunset provision of section 901 of EGTRRA. Until further guidance is provided, a participant’s benefit will be tested for satisfaction of the § 415 limitations using the limitations currently in effect and applicable to the participant.

#### IV. Effect on Other Documents

Rev. Rul. 98-1 is modified.

#### DRAFTING INFORMATION

The principal author of this revenue ruling is Ann Trichilo of Employee Plans. For further information regarding this revenue ruling, please contact the Employee Plans’ taxpayer assistance telephone service at 1-877-829-5500, between the hours of 8:00 a.m. and 9:30 p.m. Eastern time, Monday through Fri-

day (a toll-free number). Ms. Trichilo may be reached at (202) 283-9695 (not a toll-free number).

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#### Section 467.—Certain Payments for the Use of Property or Services

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, on this page.

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#### Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, on this page.

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#### Section 482.—Allocation of Income and Deductions Among Taxpayers

Federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, on this page.

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#### Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, on this page.

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#### Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, on this page.

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#### Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, on this page.

#### Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, on this page.

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#### Section 1274.—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

**Federal Rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate.** For purposes of sections 382, 1274, 1288, and other sections of the Code, tables set forth the rates for October 2001.

#### Rev. Rul. 2001-52

This revenue ruling provides various prescribed rates for federal income tax purposes for November 2001 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(2) for buildings placed in service during the current month. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2001-52 TABLE 1

Applicable Federal Rates (AFR) for November 2001

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	2.73%	2.71%	2.70%	2.69%
110% AFR	3.00%	2.98%	2.97%	2.96%
120% AFR	3.28%	3.25%	3.24%	3.23%
130% AFR	3.55%	3.52%	3.50%	3.49%
<i>Mid-Term</i>				
AFR	4.13%	4.09%	4.07%	4.06%
110% AFR	4.55%	4.50%	4.47%	4.46%
120% AFR	4.97%	4.91%	4.88%	4.86%
130% AFR	5.39%	5.32%	5.29%	5.26%
150% AFR	6.23%	6.14%	6.09%	6.06%
175% AFR	7.29%	7.16%	7.10%	7.06%
<i>Long-Term</i>				
AFR	5.31%	5.24%	5.21%	5.18%
110% AFR	5.84%	5.76%	5.72%	5.69%
120% AFR	6.39%	6.29%	6.24%	6.21%
130% AFR	6.93%	6.81%	6.75%	6.72%

REV. RUL. 2001-52 TABLE 2

Adjusted AFR for November 2001

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	2.39%	2.38%	2.37%	2.37%
Mid-term adjusted AFR	3.41%	3.38%	3.37%	3.36%
Long-term adjusted AFR	4.74%	4.69%	4.66%	4.64%

REV. RUL. 2001-52 TABLE 3

Rates Under Section 382 for November 2001

Adjusted federal long-term rate for the current month	4.74%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	4.85%

REV. RUL. 2001-52 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for November 2001

Appropriate percentage for the 70% present value low-income housing credit	8.10%
Appropriate percentage for the 30% present value low-income housing credit	3.47%

REV. RUL. 2001-52 TABLE 5

Rate Under Section 7520 for November 2001

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest

5.0%

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**Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, page 434.

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**Section 7520.—Valuation Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month

of November 2001. See Rev. Rul. 2001-52, page 434.

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**Section 7872.—Treatment of Loans With Below-Market Interest Rates**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2001. See Rev. Rul. 2001-52, page 434.